

MEETING SUMMARY REPORT
Rock Valley College
Woodward Technology Center, Room 117
Rockford, IL 61103

June 3, 2005

Regulatory Enforcement Fairness Hearing

Total attendance: 39

Congressional attendance 03 (1 Congressman and 2 aides)

RegFair Board in attendance 01

SBA personnel 5

Press 2 (TV station WREX; Rockford Register Star newspaper)

Agencies attending 07 (DOL/OSHA; USDA/FSIS; IRS; DOL/OSBP; DOL/Wage & Hour Div.; EEOC; and Dept. of VA)

No. of comments 10

Small Business Organizations	Point of Contact	Membership
City of Rockford	Rob Lamb	150,000-population
SBDC – Rock Valley College	Shirley DeBenedetto	43
Winnebago County	Jim Hugress	200,000-population
Illinois Department of Employment Security	Pete Castello	N/A
Veteran’s Assistance Commission of McHenry County	Mike Iwaneke	-statewide 2,000
IL Department of Commerce and Economic Opportunity	Mark Petrilli	20,000
Total Represented		372,043

Testifiers:

1. Harold L. Jackson-Buffalo Supply, Inc.

VA: The legal and public policy ramifications of a “distribution” recommendation made by the Department of Veteran Affairs’ Office of Inspector General that proposes the VA restrict its own authority to contract with distributors as it relates to improving the VA’s acquisition practices. Mr. Jackson testified that the IG has attempted on numerous occasions to prohibit small business resellers from participating in VA Federal Supply Schedule (FSS) contracts by

requiring the small business to demonstrate that they also were responsible for negotiating and establishing prices for products the distributor's sold to commercial customers, which was not part of the statute governing the FSS program.

2. John Ekberg-Circle Boring

EPA: A machine shop that is being sued by the EPA/Justice Department. The owner purchased land in 1964 and was unaware that it was polluted. He is claiming that he is being sued for pollution he did not create and is entitled to an exemption as indicated by the law.

3. Dick Merritt-Sterling Ford L-M

IRS: An auto dealership is having issues with the IRS concerning Section 4051(a) an excise tax on trucks. They are finding loopholes in the regulation to charge taxes on trucks that the small dealer sold to customers that are not using them as IRS says they are. The IRS contends that these are over-the-road vehicles because of the brake modification made by the dealership on recreational vehicles. The dealership contends that these are safety modifications.

4. Tony Lamia-REMIS General Contracting and Remodeling

Various agencies: Mr. Lamia offered a number of recommendations to ensure small business success. His proposals were addressed to the IRS (business income tax); federal regulatory agencies (reduction of penalties for non-compliance where no fraud is involved); state government (unemployment compensation rates by limiting workers insurance rates); and the insurance industry (offer small business the same group rates available to big business).

5. Tri-State Arrow-presented by Michael Barrera

FAA: Owner purchased business from prior owners' that had violations with alcohol/drug testing programs. A subcontractor to the prior owners violated the regulations and current/new ownership is being held accountable.

6. Marmac Trucking-presented by Ed Aprahamian Board Member

IRS: Company is in disagreement with the IRS over non-officer services being treated as employee compensation. Business has undergone repetitive audits, numerous meetings, staggering attorney's fees and substantial fines, penalties and interest. The original complaint concerned the 2002 tax year and now includes 2003.

7. Marge Schaim-AAAA International Driving School (via ReadyTalk)

DOL: The owner is claiming harassment by the Wage and Hour division of DOL. Her company received written approval from the DOL to use a certain compensation system for her employees over 6 years ago. A new inspector indicates that the system is not acceptable. The firm is protesting the monetary assessment charged it for following the directions of a representative of DOL.

8. Shirley Conrady-Conrady's Upholstery Shop(via ReadyTalk)

COE: Small business was told by Corps of Engineers COE) to move a barn constructed by previous land owners that was in violation of government-owned flood control easement. Owner's barn sits at an elevation that is within 6.5 feet of the reasonable elevation cutoff determined by the COE (970' vs. 976.5'). COE is refusing to grant a waiver to maintain the structure at its current location, although costs to comply are beyond the business's resources.

9. Ron Summers-Summer's Roofing(via ReadyTalk)

OSHA: OSHA inspected the company at a worksite, found two employees without safety glasses and required walk planks. The company claims the violations were corrected immediately and was given fifteen (15) days to pay a penalty that was in excess of the business's monthly income.

10. Anonymous business-presented by Gary Peele, SBA

VA: The testimony describes the small concern's experiences with the VA on the small business set-aside process. The small business indicates that it faces unfair price comparisons with large business which it calls the "cascading evolution method"; arbitrary cancellation of VA set-asides; creation of an unfair playing field for small business through VA's Pharmaceutical Prime Vendor (PPV) Program.